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FISCAL IMPACT STATEMENT

LS 7495

BILL NUMBER: SB 575

NOTE PREPARED: Feb 17, 2011

BILL AMENDED: Feb 17, 2011

SUBJECT: Teacher Collective Bargaining.

FIRST AUTHOR: Sen. Boots

FIRST SPONSOR:

BILL STATUS: 2nd Reading - 1st House

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: (Amended) *Temporary Teacher:* This bill extends the use of temporary teacher contracts to hiring for positions funded by grants.

Cancellation: The bill provides that the statutory procedures for refusing to continue or canceling a teacher contract may not be modified by a collective bargaining agreement (agreement). It allows a teacher who has been suspended from duty pending the cancellation of a contract to be suspended without pay.

Committee Representation: The bill limits the number of teachers the exclusive representative may appoint to serve on statutory or locally created committees of a school corporation.

Contracts: The bill provides that an agreement may not include provisions that limit a school employer's ability to restructure schools that do not meet federal or state accountability standards, or that limit a school employer's ability to enter into programs that offer postsecondary credit or dual credits to students. It provides that an agreement may not extend beyond the end of a state budget biennium. It also prohibits certain subjects from being bargained collectively, and provides that prohibited subjects and items that lead to deficit financing may not be included in an agreement. The bill removes certain items from the list of discussion subjects between a school employer and an exclusive representative. The bill also provides that collective bargaining begins not later than May 1.

Unfair Labor Practice: The bill provides that if a complaint that is filed alleging an unfair practice concerning a subject of discussion is found to be frivolous, the complaining party is liable for costs and attorney's fees.

Arbitration: The bill requires arbitration if either party declares an impasse or an existing agreement expires, and establishes a process for the arbitration. It provides that if the parties cannot reach an agreement following arbitration, the arbitrator establishes the new agreement.

Repealers: The bill repeals provisions concerning minimum salary and salary increments for teachers, the definition of "submission date", and a provision allowing the statutory procedures for refusing to continue or canceling a teacher contract to be modified by an agreement, provisions concerning mediation and factfinding, and makes conforming changes to related sections.

Effective Date: July 1, 2011.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures: *Temporary Teacher:* The bill could make it easier to terminate a teacher when a grant expires. There would be a savings in administrative costs.

Cancellation: The bill would not allow a collective bargaining agreement to modify the state law on cancellation of a contract. The bill would also allow a teacher to be suspended without pay. Currently, a teacher continues to be paid until they are terminated or reinstated. The bill could reduce the administrative costs of canceling a contract. The savings from suspending a teacher without pay would depend on the number of teachers suspended and the salary of the teachers. For the 2010 school year, the average teacher's salary was about \$47,000 a year, or about \$261 per day.

Committee Representation: Changing the representation of teachers on school committees should have no fiscal impact.

Contracts: The various changes to the collective bargaining law could make it easier for schools to make changes to the school structure and curriculum. Not allowing a bargaining agreement to extend beyond the end of a state budget biennium may require schools to change their bargaining schedule, but once that is done there should be no fiscal impact.

The bill would remove working conditions as a topic to be discussed and can be bargained. The following topics would continue to be discussed:

1. Curriculum development and revision.
2. Textbook selection.
3. Teaching methods.
4. Hiring, evaluation, promotion, demotion, transfer, assignment, and retention of certified employees. Currently, evaluations are not part of the requirement.
5. Student discipline.
6. Expulsion or supervision of students.
7. Pupil/teacher ratio.
8. Class size or budget appropriations.

The bill specifies that the following items would not be allowed to be in a collective bargaining agreement after June 30, 2011:

1. The school calendar,

2. Teacher evaluation procedures and criteria.
3. Teacher dismissal procedures and criteria.
4. Restructuring options to meet federal or state accountability standards.
5. The employer's ability to enter into programs that offer postsecondary credit or dual credits to students.

The provisions excluded above may make it easier for schools to make changes to the school structure and curriculum.

The bill also clarifies that schools cannot enter into an agreement that puts them in a position of deficit financing.

(Revised) *Arbitration*: The arbitration public hearing must be held for 5 days and begin not more than 30 days after either party requires the appointment of an arbitrator. Only general operating funds under the state funding formula may be considered as a source of funding for the bargained items unless the formula allows other funds to be used for certain items. After the public hearings, the parties and the arbitrator will meet in private to reconcile their differences. If after not more than 5 days of private meetings no settlement is reached, the arbitrator will issue an order establishing the terms of the contract. The impact on individual schools is unknown but it may reduce the current bargaining expenses.

Background: There are about 310 schools or co-ops that collectively bargain. School general fund expenditures for FY 2010 were about \$6.8 B, of which \$6.1 B were for salaries and fringe benefits. For FY 2010, schools spent about \$3.7 M on staff negotiations and relations. For the 2010-2011 school year the Educational Employment Relations Board has analyzed 70 contracts, and the average increase in salary is 0.64% without increment and 2.32% with increment.

Unfair Labor Practices: The impact would depend on the number of frivolous unfair practice complaints filed against schools. The provision could reduce school costs.

Repealers: The bill repeals the state minimum teacher's salary statute that specifies that salaries are based on years of service. Schools would still be required to fund any salary schedule within their current resources. The repeal of the degree requirements may make it easier to hire teachers for difficult-to-fill positions.

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected: Local schools.

Information Sources:

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